



Washington Federal
Bank for Savings

January 12, 2015

Alfred M. Pollard, Esq., General Counsel
Attention: Comments/2590-AA39
Federal Housing Finance Agency
400 Seventh Street SW, Eighth Floor
Washington, D.C. 20024

Re: Notice of Proposed Rulemaking: Request for Comments- Members of the
Federal Home Loan Banks

Dear Mr. Pollard:

The Federal Housing Finance Agency has requested comments on a notice of proposed rulemaking on Federal Home Loan Bank membership requirements. We appreciate the opportunity to submit this comment of the proposed rule.

Washington Federal Bank for Savings is a 102 year old community bank located in the south side of Chicago, serving Cook County and surrounding collar counties, with \$136.1 million in total assets. We have been a member of the Federal Home Loan Bank of Chicago for over 50 years. We are a vital source of lending for our customers and our community, providing loan products for residential, multi-family, and commercial real estate loans.

While Washington Federal Bank for Savings is well-positioned to meet the proposed requirements, the FHLBank's cooperative structure works because it is dependent on a diverse membership. Limiting the membership would weaken that structure and affect the ability of FHLB Chicago to reliably and safely serve its membership.

The pragmatic consequences of this proposal would be severe. Our ability to rely on the liquidity provided by the FHLB of Chicago, particularly in times of economic distress, would be seriously undermined if the FHFA is allowed to establish requirements we must meet simply to remain an FHLB of Chicago member. This has never been the case in the 82-year history of the FHLBs. Membership in the FHLBs has been steadily expanded by Congress over the years, never contracted. With the imposition of such a requirement, we would never be assured that when the next financial crisis occurs we will have continued access to FHLB liquidity. And even though we would meet the proposed threshold today, we would have to continually manage our balance sheet with the proposed requirements on a forward basis. Future decisions regarding our asset allocation would need to bear them in mind.



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Finally, I wish to reiterate how important reliable access to FHLB Chicago is to our financial institution. The FHLB business model business model has been a success for more than 80 years and must stay strong and stable so that the financial recovery can continue. For these reasons, we request that the proposed rule be withdrawn.

Thank you for the opportunity to submit a comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'John F. Gembara', written over a faint, larger version of the same signature.

John F. Gembara
Chairman of the Board,
President and Chief Executive Officer